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TO RUEHC/SECSTATE WASHDC 0596
RHEBAAA/DEPT OF ENERGY WASHDC
INFO RUEHRI/AMCONSUL RIO DE JANEIRO 5532
RUEHSO/AMCONSUL SAO PAULO 1282
RUEHRG/AMCONSUL RECIFE 7461

UNCLAS BRASILIA 002241

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STATE PASS TO L/T, OES/SCT, WHA/BSC, EEB/ESC
ENERGY PASS TO HQ OFFICE OF AMERICAN AFFAIRS FOR GARY WARD AND
COURTNEY GILLESPIE
ENERGY PASS TO NATIONAL ENERGY TECHNOLOGY LABORATORY FOR MARIA
REIDPATH

E.O. 12958: N/A

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SUBJECT: BRAZIL: GOB REQUESTS RENEWAL OF 1997 ENERGY COOPERATION
IMPLEMENTING ARRANGEMENT

11. (U) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED AND NOT FOR
INTERNET DISTRIBUTION.

12. (SBU) On December 7, 2007, the Brazilian Ministry of Exterior
Relations (MRE) Division for Non-Renewable Energy Resources (DREN)
contacted the Embassy to request that the USG and the Government of
Brazil (GoB) renew the "Implementing Arrangement for Cooperation in
the Area of Energy Technology, with Annexes." This Implementing
Arrangement was signed on October 14, 1997, and was automatically
renewed one-time for an additional five years on October 14, 2002.
The Implementing Arrangement did not provide for further additional
renewals. The GoB views it as having expired on October 14, 2007.

13. (SBU) Earlier, EST Counselor and ECON Officer met on November 1
on this matter with the DREN Division Chief, Counselor Vivian Loss
San Martin, and DREN First Secretary Daniel Lins, as well as with
Mr. Irineu Capeletti, a Special Advisor in the Ministry of Mines and
Energy's Secretariat for Geology, Mining and Mineral Transformation.
These GoB officials emphasized that Brazilians are working with the
U.S. Energy Department's National Energy Technology Laboratory
(NETL) regarding coal technologies and they believed that renewal of
the Implementing Arrangement would help this cooperation. Annex I
to the Implementing Arrangement specifically relates to coal
technology. Thus, the GoB did not see a need to amend or create a
new Annex for the coal cooperation they were interested in.

14. (SBU) On December 7, NETL International Team officials Scott
Smouse and Maria Reidpath described for EST Counselor and ECON
Officer the ongoing and possible future cooperation with Brazil in
the area of coal technology. NETL has already established two
cooperative relationships in Brazil, one with the Catholic
University in the State of Rio Grande do Sul and the other with the
Brazilian Coal Association. NETL is working on a third arrangement
with the national oil company Petrobras. (Comment. It appears the
GoB officials believe that renewing the Implementing Arrangement
will be beneficial to this cooperation, possibly through increasing
the prospects for obtaining government funding and support. End
Comment.)

15. (SBU) Embassy seeks guidance from Washington on how to respond
to the GoB's request to renew the 1997 Implementing Arrangement. If
Washington supports renewal, Embassy suggests considering amending
the Implementing Arrangement to include an automatic renewal clause
every five-years.
CHICOLA